

## **BILL ANALYSIS**

H.B. 692  
By: Rogers  
Environmental Regulation  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The dairy industry has suffered tremendously during the COVID-19 pandemic and Winter Storm Uri. At times during these events, milk shelves at grocery stores were empty despite the fact that dairy farmers continued to produce milk. Although milk bottlers and processors were required to cut back on production and employees, the dairy industry continued to produce milk because of the milking schedule of the cows. This led to bottlers and processors unable to take milk, leaving farmers with the responsibility of disposing of the milk.

Once milk leaves a farm it is considered food and travels to a bottling facility before making its way to grocery store shelves. If a milk load somehow becomes contaminated on the way, gets graded out, or is not able to be accepted by the bottler, the milk is then no longer considered viable for human consumption and is labeled as dairy waste that needs to be legally disposed. In Texas, this waste is disposed of in a disposal well, of which there are only two locations in Texas for dairy waste. According to the Texas Association of Dairymen, the average cost to dispose a truckload of milk, about 50,000 pounds, is around \$3,000, which is a costly burden for dairy co-ops and farmers in Texas.

Land application of milk has proven to be a great fertilizer. Based on current research, milk itself can improve soil health, if applied properly. This is due to milk's ability to provide nutrients to plants and stimulate the growth of beneficial fungi by supplying sugar. Since milk is composed mostly of water, it also contributes to putting water back into the ground. Farmers also feel that their product is going to be of some use to the land, rather than flushing it into the ground. There are plenty of places in Texas that could benefit from the land application of milk. H.B. 692 seeks to address these issues by providing for the authorization for certain land applications and disposal of dairy waste.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Commission on Environmental Quality in SECTIONS 1 and 2 of this bill.

### **ANALYSIS**

H.B. 692 amends the Health and Safety Code to require the Texas Commission on Environmental Quality (TCEQ) to issue an authorization by rule for land application of dairy waste and to adopt rules governing that land application. The rules must do the following:

- minimize the risk of water quality impairment caused by the land application; and
- prescribe the conditions under which an authorization is issued, including the following:

- the duration of the authorization;
- the location of the land application unit;
- the maximum quantity or application rate of dairy waste that may be applied or disposed of under the authorization;
- the suggested agronomic application rate for the dairy waste or other beneficial uses of the dairy waste; and
- best management practices for the handling and disposal of dairy waste.

H.B. 692 amends the Water Code to require the TCEQ, to the extent permitted by federal law, to adopt rules to allow the following:

- the disposal of dairy waste from a concentrated animal feeding operation into a control or retention facility, including a lagoon or playa; and
- the land application by irrigation associated with that disposal.

The rules must do the following:

- minimize the risk of water quality impairment caused by the disposal of dairy waste into the control or retention facility and by the land application by irrigation associated with that disposal; and
- require best management practices to ensure that the disposal of dairy waste into the control or retention facility does not impair water quality.

H.B. 692 requires the TCEQ, not later than March 1, 2024, to adopt rules necessary to implement the bill's provisions. The bill defines "dairy waste" as milk, milk by-products, or milk processing waste that is spilled, spoiled, adulterated, unmarketable, stranded, or otherwise unfit for human consumption produced by a dairy operation or at a concentrated animal feeding operation, as applicable.

#### **EFFECTIVE DATE**

September 1, 2023.